

HOUSE BILL 2406

By Borchert

AN ACT to authorize and empower the Paris Special School District of Henry County, Tennessee, to issue capital outlay notes in a principal amount not to exceed two million dollars (\$2,000,000), to provide for the form and terms of said notes; to provide for the issuance, sale and payment of said notes and the use and disposition of proceeds from the sale thereof; and to provide for the pledge, levy and collection of taxes to pay principal of, premium, if any, and interest on said notes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. The Paris Special School District of Henry County, Tennessee (the "District"), created by Chapter 150 of the Private Acts of 1919 of the state of Tennessee, as amended by Chapters 1, 243, and 799 of the Private Acts of 1921, Chapters 14 and 671 of the Private Acts of 1925, Chapter 740 of the Private Acts of 1929, Chapter 171 of the Private Acts of 1935, Chapter 59 of the Private Acts of 1935 (1st E.S.), Chapter 510 of the Private Acts of 1949, Chapter 202 of the Private Acts of 1951, Chapter 26 of the Private Acts of 1957, Chapter 311 of the Private Acts of 1961, Chapter 87 of the Private Acts of 1965, Chapter 10 of the Private Acts of 1973, Chapter 275 of the Private Acts of 1976, Chapter 136 of the Private Acts of 1977, Chapter 103 of the Private Acts of 1989, Chapter 136 of the Private Acts of 1991, Chapter 164 of the Private Acts of 1994, Chapters 163 and 193 of the Private Acts of 1996, Chapter 66 of the Private Acts of 1997, Chapter 65 of the Private Acts of 2001, and all other acts amendatory thereto, if any, (the "Act of Incorporation") is hereby authorized and empowered to issue and sell capital outlay notes (the "notes") in the aggregate principal amount of not to exceed two million dollars (\$2,000,000) for the purpose of providing funds for the construction, improvement, renovation, expansion, furnishing, fixturing and equipping of school buildings and facilities, and additions thereto, in and for the district, including the purchase of all property, real and personal, or interests therein, necessary in connection with said work, or any

of the foregoing, for the funding of all accounts and funds necessary and proper in connection with the issuance and sale of the notes as the board of school trustees of the district shall determine, and for the payment of all legal, fiscal, administrative, architectural, engineering, accounting and similar professional and other costs incident to the foregoing and to the issuance and sale of the notes. The notes shall be issued in accordance with Title 9, Chapter 21, the Local Government Public Obligations Law.

SECTION 2. The notes may bear such date or dates, shall mature at such time or times, not exceeding twelve (12) years from their respective dated date, may bear interest at a zero (0) rate or at such other rate or rates (which may vary from time to time), may be payable at such time or times, may be executed in such manner, may be payable in such medium of payment at such place or places, may be subject to such terms of redemption, with or without premium, and may provide for the replacement of the notes, all as may be provided by resolution of the district's board of school trustees. The notes shall be sold as a whole or in part from time to time in such manner as shall be provided by resolution of the district's board of school trustees. The board of school trustees of the district is authorized and empowered to do and perform all acts and enter into all agreements which may be necessary or desirable in connection with the issuance and sale of the notes and delegate the power to consummate all such acts and execute and implement all such agreements on its behalf as the board of school trustees shall deem necessary or desirable.

SECTION 3. The board of school trustees of the district is authorized to pledge to the payment of the notes all or a portion of its share of the local option sales and use tax now or hereafter levied and collected in Henry County, Tennessee, pursuant to Tennessee Code Annotated, Section 67-6-712, and all or a portion of any funds received by the district under the Tennessee Basic Education Program available to be used for capital outlay expenditures, as set forth in Tennessee Code Annotated, Section 49-3-351, et seq., and related sections. To the

extent of such pledge, said funds when so received shall be deposited in a special fund by the district's treasurer and shall be used solely for the purpose of paying principal of and premium, if any, and interest on the notes and other indebtedness lawfully incurred or assumed by the district and, to the extent not needed for said purpose or required to be maintained therein by applicable law, for the purpose of building new school buildings, adding to, repairing, improving, enlarging and equipping school buildings and properties of said district as the board of school trustees of the district shall deem necessary and proper, including the purchase of property, real or personal, or interests therein, necessary in connection therewith and the purchase of school buses and school transportation equipment in connection with the operation of the schools of the district.

SECTION 4. The notes, and all income therefrom, shall be exempt from all state, county and municipal taxation in the state of Tennessee, except inheritance, transfer and estate taxes and except as otherwise provided by applicable law.

SECTION 5. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 6. This act shall take effect upon becoming a law, the public welfare requiring it.